

1. The first of the two main parts of the report is a general survey of the situation in the country. It is a very interesting and informative account of the country and its people. The second part of the report is a detailed account of the work done during the year. It is a very thorough and complete account of the work done during the year.

### CONCLUSION

The work done during the year has been very satisfactory. It has been a very successful year for the organization. The work done during the year has been very satisfactory. It has been a very successful year for the organization.

XIX-1974

THE SECRETARY

THE SECRETARY

THE SECRETARY

THE SECRETARY

THE SECRETARY

**APPENDIX A***Section 204 of the Federal Power Act 16 USC 824c***§ 824c. ISSUANCE OF SECURITIES; ASSUMPTION OF LIABILITIES; FILING DUPLICATE REPORTS WITH SECURITIES AND EXCHANGE COMMISSION.**

(a) No public utility shall issue any security, or assume any obligation or liability as guarantor, indorser, surety, or otherwise in respect of any security of another person, unless and until, and then only to the extent that, upon application by the public utility, the Commission by order authorizes such issue or assumption of liability. The Commission shall make such order if it finds that such issue or assumption (a) is for some lawful object, within the corporate purposes of the applicant and compatible with the public interest, which is necessary or appropriate for or consistent with the proper performance by the applicant of service as a public utility and which will not impair its ability to perform that service, and (b) is reasonably necessary or appropriate for such purposes. The provisions of this section shall be effective six months after Aug. 26, 1935.

(b) The Commission, after opportunity for hearing, may grant any application under this section in whole or in part, and with such modifications and upon such terms and conditions as it may find necessary or appropriate, and may from time to time, after opportunity for hearing and for good cause shown, make such supplemental orders in the premises as it may find necessary or appropriate, and may by any such supplemental order modify the provisions of any previous order as to the particular purposes, uses, and extent to which, or the conditions under which, any security so theretofore authorized or the proceeds thereof may be applied, subject always to the requirements of subsection (a) of this section.

(c) No public utility shall, without the consent of the Commission, apply any security or any proceeds thereof to

any purpose not specified in the Commission's order, or supplemental order, or to any purpose in excess of the amount allowed for such purpose in such order, or otherwise in contravention of such order.

(d) The Commission shall not authorize the capitalization of the right to be a corporation or of any franchise, permit, or contract for consolidation, merger, or lease in excess of the amount (exclusive of any tax or annual charge) actually paid as the consideration for such right, franchise, permit, or contract.

(e) Subsection (a) of this section shall not apply to the issue or renewal of, or assumption of liability on, a note or draft maturing not more than one year after the date of such issue, renewal, or assumption of liability, and aggregating (together with all other then outstanding notes and drafts of a maturity of one year or less on which such public utility is primarily or secondarily liable) not more than 5 per centum of the par value of the other securities of the public utility then outstanding. In the case of securities having no par value, the par value for the purpose of this subsection shall be the fair market value as of the date of issue. Within ten days after any such issue, renewal, or assumption of liability, the public utility shall file with the Commission a certificate of notification, in such form as may be prescribed by the Commission, setting forth such matters as the Commission shall by regulation require.

(f) The provision of this section shall not extend to a public utility organized and operating in a State under the laws of which its security issues are regulated by a State commission.

(g) Nothing in this section shall be construed to imply any guarantee or obligation on the part of the United States in respect of any securities to which the provisions of this section relate.

(h) Any public utility whose security issues are approved by the Commission under this section may file with

the Securities and Exchange Commission duplicate copies of reports filed with the Federal Power Commission in lieu of the reports, information, and documents required under Section 77g and Sections 78l and 78m of Title 15.

**APPENDIX B****CHRONOLOGY OF EVENTS AT FEDERAL  
POWER COMMISSION SUBSEQUENT TO DECISION OF COURT BELOW**

1. On September 30, 1971 the Cities had intervened in a Second Financing Application by Gulf States Utilities, Docket No. E-7663. In that intervention, the Cities sought to raise the issues previously raised in the proceeding now before this Court on review.

2. By answer dated October 7, 1971, Gulf States opposed the Cities' Petition to Intervene.

3. On October 12, 1971, the Opinion below was handed down.

4. On November 4, 1971, the Commission issued an Order in Docket No. E-7663 granting the authorization for issuance of securities sought by Gulf States. The Commission in that Order recognized the decision of the Court of Appeals below, but stated that that decision permitted the Commission to approve the entire application if it stood ready to proceed with hearing and consideration of the anti-competitive issues. The Commission stated that it would accept the Cities' Petition to Intervene and consider it as a complaint pursuant to Section 306 of the Federal Power Act to be set for a separate hearing.

5. By an Order Accepting Complaint issued November 4, 1971, in Docket No. E-7676, the Federal Power Commission accepted the Cities' Petition to Intervene in the Gulf States financing docket as a complaint and set that complaint for hearing. That Order stated, *inter alia*, "At such a hearing, the Cities, as proponents, shall have the burden of proving that such acts and practices of Gulf States Utilities Company are continuing or are likely to continue, and to what extent the Commission has jurisdiction to remedy such acts and practices." The Commission scheduled prepared testimony by the Cities in support of their allegations on or

before January 3, 1972, and a hearing on February 8, 1972. The Commission also made LP&L and CLECO parties to the complaint proceeding.

6. On November 10, 1971, the Cities transmitted interrogatories and document requests to Gulf States, CLECO, and LP&L in accordance with the usual FPC practice. These interrogatories and document requests requested production for copying of documents in twenty-five specified categories, which documents were among those already produced by each of the Companies in response to a civil investigative demand by the Department of Justice, which CID had been made public in a suit to quash by Gulf States.

7. On November 19, LP&L responded to the Commission's order initiating the complaint proceeding, asserting, *inter alia*, that the Department of Justice, in its civil investigative demand under the Antitrust Civil Process Act had asserted primary jurisdiction to investigate these matters and take action and that the FPC therefore had no jurisdiction over the matters alleged.

8. On November 19, CLECO answered the complaint, denying the jurisdiction of the FPC, and further filed a motion to dismiss, alternative motion for more definite statement, and objections to the Cities' interrogatories on the grounds that it would refuse to answer without a subpoena and that the requests for documents were unduly burdensome, oppressive and expensive.

9. On November 26 the Cities responded to the motions of CLECO to dismiss and objecting to the Cities' interrogatories, pointing out, *inter alia*, that production of the documents sought could scarcely be unduly burdensome, oppressive or expensive to CLECO since all that was involved was running a set of documents already collated through a Xerox machine. In response to CLECO's refusal to produce documents, the Cities filed concurrently an application for issuance of subpoena for production of documentary evidence demanding the same documents which

had theretofore been requested voluntarily in accordance with the usual FPC practice.

10. On December 3, 1971, the Cities filed a petition for rehearing of the Commission's November 4 Order. The Cities pointed out that the procedure chosen by the Commission had the sum effect of removing the nexus with the statute pleaded by the Cities while putting the burden on the Cities to show another nexus. The Cities also objected to the allowance by the FPC of the financing application without considering at all the legality of the purposes for which the money was to be spent or even retaining the option of revoking authority or ordering Gulf States to cease and desist in accordance with the evidence to be produced in the hearing set by the Commission. The Cities also objected that the Commission was, in effect, taking the proceeding in which the companies had the burden of proof and turning it into one in which the Cities had the burden of proof, while giving the companies a significant interest to stall the new proceedings for as long as possible.

11. On December 1, 1971, the Dow Chemical Company petitioned for leave to intervene in support of the Cities.

12. On December 6, 1971, CLECO filed a motion to quash or to modify and limit the Cities' subpoena for documentary evidence. CLECO asserted that since the same documents had already been furnished to the Department of Justice in response to its CID, and Section 4(c) of the Antitrust Civil Process Act prohibited any person from examining the documents so furnished in response, CLECO would be in violation of that order and statute if it produced the same documents in response to an FPC subpoena.

13. On December 6, Gulf States filed a motion for the FPC to admit Dow Chemical Company as a party and for declaratory determination by FPC that Dow Chemical Company was a public utility within the Federal Power Act and a complaint against Dow Chemical Company for acts done

and omitted to be done in contravention of provisions of the Federal Power Act.

14. On December 6, Gulf States filed a motion to dismiss, and alternate motion for more definite statement in objection to the Cities interrogatories.

15. On December 7 the Presiding Examiner issued an order scheduling a pre-hearing conference and denying the Cities' subpoena request without prejudice. The Examiner scheduled the pre-hearing conference for December 21, 1971.

16. On December 9, 1971, CLECO filed further objections to the Cities' application for issuance of a subpoena and for production of documentary evidence.

17. On December 13 the Dow Chemical Company filed an answer to the Gulf motion of December 6.

18. On December 13 CLECO filed interrogatories to the Cities which, in effect, requested the Cities to put in the form of answers to these interrogatories their entire direct case due to be filed in prepared form in advance of hearing.

19. On December 16 the Cities responded to the CLECO interrogatories offering to attempt to work out a discovery schedule satisfactory to all parties. No response to that offer was ever received.

20. On December 16 the Cities filed responses to the December 6th motions of Gulf States.

21. On December 17 the Cities filed a response to the CLECO motion of December 6 and objections of December 9. The Cities pointed out that this Court had determined, in *St. Regis Paper Co. v. US*, 368 US 208, 217-219 (1961) that there could be no bar to proper process reaching papers in the hands of a respondent, regardless of whether those papers had already been furnished confidentially to the government in another case.

22. On December 21 the pre-hearing conference scheduled by the Examiner was held, but no issues were resolved. The Examiner scheduled a further pre-hearing conference on January 11.

23. On December 30, 1971, Gulf States filed a motion for expeditious consideration by the Commission of motions and a motion for clarification of the Commission's order of November 4, 1971.

24. On December 30, 1971, the Commission issued an order denying Cities' petition for rehearing in Docket Nos. E-7663 and E-7676.

25. On January 7, 1972, the Commission issued an order in Docket No. E-7676 denying Gulf States and CLECO motions to dismiss and their alternative motions for more definite statement which were filed November 19 and December 6, 1971.

26. On January 7, 1972, the Commission issued an order in Docket No. E-7676 granting intervention of Dow Chemical Company, denying Gulf States' motion for a declaratory determination that Dow was a public utility within the Federal Power Act, and dismissing Gulf States complaint against Dow Chemical.

27. On January 11, 1972, a second prehearing conference was held to discuss discovery. The FPC Staff suggested a very limited discovery, consonant with that suggested by the Companies. The Cities, and Dow, objected vigorously to the limitation of the Cities' proposed subpoena both in time covered and in scope.

28. On January 14, 1972, the Presiding Examiner issued an order requiring very limited production, both in time and in scope, of documents by CLECO, LP&L and Gulf States for discovery purposes.

29. On October 8, 1971, the Companies had filed an "interim" agreement with LEC which LEC had been forced to sign to enable it to dispose of the output of its nearly

complete electrical generation plant. That agreement called for the delivery of LEC power into the Companies' systems. On January 21, 1972, the Commission issued a notice of that rate schedule filing as Docket No. E-7696.

30. On February 1, 1972, Gulf States filed a petition for rehearing of the order issued by the Commission on January 7, 1972, granting intervention to Dow.

31. On February 1, 1972, Dow filed a motion to reject Gulf States' petition for rehearing filed that same date.

32. On February 8, 1972, a petition for leave to intervene in Docket No. E-7696 was filed by Dow.

33. On February 10, 1972, Cities filed a protest and petition to intervene in Docket No. E-7696 and a motion to reject or to grant alternative relief. The Cities pointed out that the agreement would allow the Companies to obtain the benefits of the LEC low cost power, to the exclusion of the other members of the LEC pool or the LEC member cooperatives, and requested that the filing be rejected if not conditioned on an agreement by the Companies to transmit power for the pool.

34. On February 15, 1972, a third pre-hearing conference was held by the Presiding Examiner. At that conference the Cities introduced certain of the documents which had been received in the initial discovery wave in order to demonstrate that the conspiracy and combination obviously went far beyond the limited discovery allowed by the Examiner and again moved for the grant of their initial subpoena. The Examiner denied the Cities' motion for the original subpoena stating (Tr. 198) "if you can show the Power Commission the tip of the iceberg, again why is it essential to get the whole iceberg exposed?". The Examiner did, however, allow the Cities to schedule depositions of certain of the Companies' executives.

35. On February 18, 1972, LP&L filed its response to the Cities' protest and petition to intervene in Docket No. E-7696.

36. On February 18, 1972, Gulf States filed an answer to the protest and petition to intervene filed by the Cities in Docket No. E-7696. In that answer, Gulf States contended, *inter alia*, that it would be beyond the jurisdiction of the Commission to order Gulf States to transmit energy for others.

37. On February 18, 1972, Gulf States filed an answer to the petition for leave to intervene of Dow in Docket No. E-7696.

38. On February 22, 1972, CLECO answered the petition for leave to intervene of Dow in Docket No. E-7696.

39. On February 22, 1972, CLECO answered the Cities' protest and petition to intervene in Docket No. E-7696.

40. On February 23, 1972, the Cities filed a motion to the Commission for extraordinary relief and/or reconsideration, pointing out to the Commission that the ambit of discovery, as ordered by the Examiner, would necessarily leave the Cities unable to show the scope of the combination or conspiracy among the Companies.

41. On February 25, 1972, the Commission issued an order, denying rehearing on its order of January 7, 1972, in response to the Gulf States' petition for rehearing.

42. On February 28, 1972, Dow filed a motion for extraordinary relief and/or reconsideration.

43. On March 2, 1972, Gulf States filed objections to the motions of Cities and Dow for extraordinary relief and/or reconsideration.

44. On March 6, 1972, CLECO filed objections in response to the motions of Cities and Dow for extraordinary relief and/or reconsideration.

45. On March 20, depositions began which continued until April 6, 1972, when the Commission issued an order granting the extraordinary relief sought by the Cities and changing the scope of discovery as ordered by the Examiner.

46. On April 3, 1972, CLECO filed a motion to compel Cities and Dow to furnish each of the Companies free copies of the depositions being taken.

47. On April 6, 1972, the Commission issued an order granting the extraordinary relief sought by the Cities' motion of February 23 and Dow's motion of February 28.

48. On April 6, 1972, the Commission issued an order in Docket No. E-7682 consolidating proceedings therein with those in Docket E-7676 insofar as the Cities' petition to intervene was considered a complaint, and authorizing the issuance of the promissory notes for which authorization had been sought.

49. On April 13, 1972, the Cities filed a response to the motion of CLECO to compel free copies of the deposition transcript.

50. On April 20, 1972, the Presiding Examiner issued a ruling denying the motion filed by CLECO to compel the Cities to provide free copies of depositions.

51. On April 20, 1972, the Presiding Examiner issued an order scheduling a fourth pre-hearing conference to be held on May 9, 1972.

52. On April 24, 1972, CLECO filed an answer to the Commission's order of consolidation of April 6.

53. On April 24, 1972, LP&L filed an answer to the Commission's order of consolidation dated April 6.

54. On May 2, 1972, Gulf States filed an application for rehearing of the Commission's order granting extraordinary relief.

55. On May 5, 1972, CLECO filed an application for rehearing of the Commission's order granting extraordinary relief.

56. On May 9, 1972, LP&L filed a petition for rehearing of the Commission's order granting extraordinary relief.

57. On May 9, 1972, yet another pre-hearing conference was held by the Presiding Examiner to discuss the scope of discovery.

58. On May 15, 1972, the Presiding Examiner issued an order requiring production of documents for discovery purposes in the form initially requested by the Cities in November, 1971.

59. On May 30, 1972, this Court granted the petition for a writ of certiorari by Gulf States.

60. On May 31, 1972, Gulf States filed a telegram as a supplement to its application for rehearing filed May 2, 1972.

61. On June 1, 1972, LP&L filed a telegram as a supplement to its petition for rehearing.

62. On June 1, 1972, CLECO filed a telegram as a supplement to its petition for rehearing.

63. On June 1, 1972, the Commission issued an order granting the applications for rehearing filed May 2, May 5, and May 9, 1972, noting that this Court had granted certiorari, and further providing that "the Commission has therefore determined that the public interest would best be served by staying all further proceedings in this Docket until the United States Supreme Court has entered its decision on appeal of *City of Lafayette, Louisiana v. SEC*, 454 F 2d 941 (CA DC 1971)."

64. On June 1, 1972, the Commission issued an order denying rehearing of its order dated April 6, 1972, authorizing issuance of promissory notes.

65. On June 2, 1972, Gulf States filed a supplement to its application for rehearing dated May 2, 1972.

66. On June 8, 1972, Dow filed a petition for reconsideration of the Commission's order of June 1, 1972.

67. On June 15, 1972, Cities filed a petition for reconsideration and/or rehearing of the Commission's order of June 1, 1972, granting rehearing, pointing out that the result of the stay would be to prolong any action by the Commission for at least a year and to stay the discovery, which, on the evidence of record, would be prolonged by vigorous objections of the Companies and which could be going on whether or not the FPC wished to wait for this Court.

68. On July 14, 1972, the Commission issued an Order denying Cities' and Dow's applications for rehearing.

69. On August 7, 1972, the Commission issued an order in Docket E-7696 accepting rate schedules for filing, waiving notice requirements, granting intervention, granting late petition to intervene and consolidating proceedings with E-7676.